

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
)
MOLOKAI PUBLIC UTILITIES, INC.)
)
For Review and Approval of Rate)
Increases; Revised Rate Schedules;)
And Revised Rules)
_____)

PUC Docket 2009-0048

PUBLIC UTILITIES
COMMISSION

2009 NOV - 2 A 7:46

FILED

STAND FOR WATER

AFFIDAVIT OF TIMOTHY BRUNNERT
IN SUPPORT OF MOTION TO INTERVENE
EXHIBITS "A" & "B"
&
CERTIFICATE OF SERVICE

STAND FOR WATER
Timothy Brunnert, President
P.O. Box 71
Maunaloa, Hawai'i 96770
Telephone: 808-552-0390

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)	
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MOLOKAI PUBLIC UTILITIES, INC.)	PUC Docket 2009-0048
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For Review and Approval of Rate)	AFFIDAVIT OF TIMOTHY BRUNNERT
Increases; Revised Rate Schedules;)	EXHIBITS "A" & "B"
And Revised Rules)	
_____)	

AFFIDAVIT OF TIMOTHY BRUNNERT

STATE OF HAWAII)	
)	SS:
COUNTY OF MAUI)	

I, TIMOTHY BRUNNERT, being first duly sworn and upon oath, depose and say that:

1. *I am the President of Stand for Water, an unincorporated Hawai'i association. Stand for Water's (SFW's) membership is composed exclusively of residents of the island of Moloka'i. Members of SFW are ratepayers served by Molokai Public Utilities.*

2. SFW was organized in response to applications for rate and charge increases by Wai'ola O Moloka'i, Inc. (hereinafter "Wai'ola") and Molokai Public Utility, Inc. (hereinafter "MPU").

3. Members of Stand for Water have substantial interests in the outcome of this rate case. The financial interests of Stand for Water members are threatened by the proposed rate increases which, if approved, may become the highest public water utility rates in the nation.

4. The quality of water provided to MPU customers is substandard. The water that comes out of the taps in my home at Papohaku is brown and murky due to sediment content. MPU has not provided any water quality reports to its customers since 2007. Reports prior to that year showed violations of water quality standards. Copies of the reports are attached as Exhibit A. Despite the PUC's 2008 emergency approval of a significant rate increase, MPU has

not used any of the extra revenues generated by the increase to make repairs to its water system, or to improve the quality of purification procedures.

5. The MPU water system is in serious disrepair. I have personally observed broken pipes and large pools of water leaking from the pipes. Sediments leach into drinking water through these leaking pipes. I have also personally observed that major breaks in water lines are not repaired, sometimes for months at a time.

6. Although I rent an agricultural lot served by MPU at Papohaku, no agricultural water system was ever built to serve this lot or any other agricultural lot in MPU's service area. Farmers use potable water to irrigate their crops.

7. Due to a Hawai'i Supreme Court decision in 2007 ("In the Matter of the Contested Case Hearing on the Water Use Permit Application Filed by Kukui (Molokai) Inc."), Molokai Properties Limited (MPL) no longer has a legal permit to pump its only fresh water well, Well 17.

8. MPU's parent company, MPL, is also on notice from the state Department of Agriculture that it should cease using the agricultural Moloka'i Irrigation System (MIS) for transmission of water to the West End until an environmental assessment and/or EIS has been completed. This notice was issued after MPL's contract to use the MIS expired in 2006. But MPU continues to use the MIS transmission system despite the lack of a contract to do so. A copy of the Attorney General's letter is attached as Exhibit "B."

9. I am an experienced home builder and familiar with water systems. I will testify in these proceedings about the condition of the MPU water system. I have also personally spoken with all of the following individuals, and they have agreed to testify in these proceedings:

Liana Brunnert, Bookkeeper

Subject: MPL Accounting Procedures

Experience: Employed by MPL as a bookkeeper. Familiar with MPL accounting procedures.

Peter Johnson, Scientist

Subject: Drinking water quality

Experience: Founder and retired CEO, Agouron Pharmaceuticals, Inc., now a division of Pfizer Inc. Partner, Puragua Company, provider of highly purified drinking water in Baja California.

Stephen Morgan, Businessman & Small Farmer

Subject: Water and West End Farming

Experience: Active farmer on the West End for 20 years. Member of the Moloka'i Water Working Group. Participated in PUC's 2002-2003 water rate hearings.

Charles "Skip" Roy, Licensed Real Estate Agent

Subjects: MPL revenues from land sales; Water meters; Attempts to purchase utilities

Experience: Involved in 12 real estate transactions with MPL in the last 4 years. Attempted to purchase MPL water utilities.

Ray Tensfeldt, Designer of Water Purveying Systems

Subject: MPL Water Delivery and Distribution Systems

Experience: Worked on Moloka'i water systems, including sterilization of Kualapu'u reservoir, water treatment at Pu'unana

Glenn Teves, UH Agricultural Extension Agent

Subjects: Moloka'i Irrigation System, Well 17, Impact of MPL Use of MIS on Farming

Experience: Involved since 1981 in legal issues regarding the MIS. Member of the MIS Advisory Council. Testified as an expert witness in water cases including MPL's Waiola well proposal, Kukui & MPL's Well 17 case.

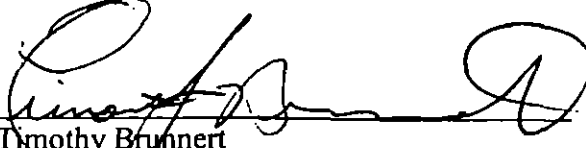
Taryn Waros, Hotel Manager

Subject: Internal Operational and Accounting Practices for MPL

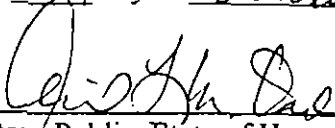
Experience: Employed by MPL as General Manager of the Molokai Lodge for 3 years.

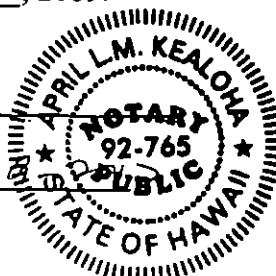
FURTHER AFFIANT SAYETH NAUGHT.

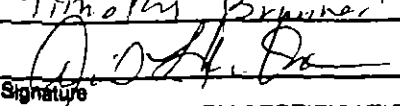
DATED at Maunaloa, Hawai'i: 10-29-09
Kaunakakai.


Timothy Brunner

Subscribed and sworn to before me
this 29 day of October, 2009.


Notary Public, State of Hawaii
My commission expires: 11-01-2011



Doc Date: 10-29-09 # Pages: 4
Name: April M Kealoha 2nd Circuit
Doc. Description: Affidavit of
Timothy Brunner
 10-29-09
Signature Date

NOTARY CERTIFICATION

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
KALUAKOI WATER SYSTEM HAS LEVELS OF HALOACETIC ACIDS
ABOVE DRINKING WATER STANDARDS
OCTOBER TO DECEMBER 2004**

Our Molokai Public Utilities, Kaluakoi water system recently violated the drinking water standard for Haloacetic Acids (HAA5s). Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

Molokai Public Utilities, routinely monitors for the presence of drinking water contaminants. Our system exceeded the standard, or maximum contaminant level (MCL) for HAA5s of 60 micrograms per liter or parts per billion (ppb). The average level of HAA5s over the last 4 quarters was 82.4 ppb. The MCL became effective for this water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing haloacetic acids in excess of the MCL, over many years, may have an increased risk of getting cancer.

What happened? What is being done?

The existing treatment equipment is not capable of providing the level of treatment necessary to meet these higher standards. We are currently evaluating whether to install more advanced treatment equipment or accelerate our system upgrade to a dedicated transmission pipeline. We anticipate either approach can be implemented within 8-9 months.

For more information, please contact Rex Kamakana at (808) 336-0240 or write us at P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by the Kaluakoi water system.

State water system ID: 236

Date Distributed: November 8, 2004

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM (PWS ID. 236)
HAS LEVELS OF HALOACETIC ACIDS ABOVE DRINKING WATER STANDARDS
FOR THE PERIOD OF APRIL TO JUNE 2005**

Molokai Public Utilities, Kaluakoi water system violated a drinking water standard during the period of April to June 2005. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Testing results we received on September 14, 2005 show that our system exceeded the standard, or maximum contaminant level (MCL) for Haloacetic Acids (HAA5) of 60 micrograms per liter or parts per billion (ppb). The average level of HAA5 over 4 quarters was 73.4 ug/l. The MCL became effective for this water system (a system serving less than 10,000 persons) on January 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing halo acetic acids in excess of the MCL, over many years, may have an increased risk of getting cancer.

What happened? What is being done?

The then existing treatment equipment was not capable of providing the level of treatment necessary to meet these higher standards. It has since been replaced and removed from service on September 14, 2005. As these contaminants are reported on a four quarter moving average basis, it may take three to four quarters for the full impact of the filter change to be reflected in the test results resulting in further violations.

For more information, please contact Rex Kamakana, Utility Manager at (808)336-0240 or writing to P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Date Distributed: September 26, 2005

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM HAS LEVELS
OF TOTAL TRIHALOMETHANES ABOVE DRINKING WATER STANDARDS**

Molokai Public Utilities, Kaluakoi Water System recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for presence of drinking water contaminants. Testing results we received on March 3, 2005 show that our system exceeded the standard, or maximum contaminant level (MCL) for Total Trihalomethanes (THMs) of 80 micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 103.4 ppb. The MCL became effective for the Kaluakoi Water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

The existing treatment equipment is not capable of providing the level of treatment necessary to meet these higher standards. We are currently evaluating whether to install more advanced treatment equipment or accelerate our system upgrade to a dedicated transmission pipeline. We anticipate either approach can be implemented within 8-9 months.

For more information, please contact Rex Kamakana, Utility Manager, at (808) 336-0240 or write to P.O. Box 259, Maunaloa, HI 96770

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Distributed: March 14, 2005

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM HAS LEVELS
OF TOTAL TRIHALOMETHANES ABOVE DRINKING WATER STANDARDS**

Molokai Public Utilities, Kaluakoi Water System recently violated a drinking water standard. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for presence of drinking water contaminants. Testing results we received on **October 28, 2004** for the period of October to December 2004, show that our system exceeded the standard, or maximum contaminant level (MCL) for **Total Trihalomethanes (THMs) of 80** micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 102.8 ppb. The MCL became effective for the Kaluakoi Water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

The existing treatment equipment is not capable of providing the level of treatment necessary to meet these higher standards. We are currently evaluating whether to install more advanced treatment equipment or accelerate our system upgrade to a dedicated transmission pipeline. We anticipate either approach can be implemented within 8-9 months.

For more information, please contact Rex Kamakana, Utility Manager, at (808) 336-0240 or write to P.O. Box 259, Maunaloa, HI 96770

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Distributed: March 31, 2005

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MOLOKAI PUBLIC UTILITIES, KALUAKOI WATER SYSTEM (PWS ID. 236)
HAS LEVELS OF HALOACETIC ACIDS ABOVE DRINKING WATER STANDARDS
FOR THE PERIOD OF JULY TO SEPTEMBER 2005**

Molokai Public Utilities, Kaluakoi water system violated a drinking water standard during the period of April to June 2005. Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Testing results we received on September 14, 2005 show that our system exceeded the standard, or maximum contaminant level (MCL) for Haloacetic Acids (HAA5) of 60 micrograms per liter or parts per billion (ppb). The average level of HAA5 over 4 quarters was 73.4 ug/l. The MCL became effective for this water system (a system serving less than 10,000 persons) on January 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing halo acetic acids in excess of the MCL, over many years, may have an increased risk of getting cancer.

What happened? What is being done?

The then existing treatment equipment was not capable of providing the level of treatment necessary to meet these higher standards. It has since been replaced and removed from service on September 14, 2005. As these contaminants are reported on a four quarter moving average basis, it may take three to four quarters for the full impact of the filter change to be reflected in the test results resulting in further violations.

For more information, please contact Rex Kamakana, Utility Manager at (808)336-0240 or writing to P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Molokai Public Utilities.

State water system ID: 236

Date Distributed: September 29, 2005

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER Kaluakoi System Does Not Meet Treatment Requirements

July to September 2005

The Kaluakoi Water System is in violation of the safe drinking water act. Although this situation does not require that you take immediate action, as our customers, you have a right to know what happened, what you should do and what we are doing to correct this situation.

According to the Department of Health Surface Water Treatment Rule (SWTR), all potable water derived from surface water sources must be treated by an approved filtration and disinfection system as of June 30, 1993. Kaluakoi water is being partially transported through the Molokai Irrigation System and is therefore subject to the SWTR. For the months above, Molokai Public Utilities has failed to meet filtration requirements for treating its surface water source.

The violation is a result of more stringent regulations being instituted by the EPA, pertaining to the filtration and disinfection processes. Your water is treated by a filtration and disinfection system and does meet current interim water quality standards established by the United States Environmental Protection Agency (EPA). Therefore, it is not deemed necessary for consumers to seek any alternative source of water.

WHAT SHOULD I DO?

- You do not need to boil your water. However, if you have specific health concerns, consult your doctor. A home filter will not necessarily solve the problem, because not all home filters protect against parasites. You can call NSF International at 1-800-NSF-8010 or the Water Quality Association at 1-800-426-4791 for more information on appropriate filters.
- People with severely compromised immune systems, infants, and some elderly may be at increased risk. These people should seek advice about drinking water from their health care providers. General guidelines on ways to lessen the risk of infection by microbes are available from EPA's Safe Drinking Water Hotline at (800) 426-4791.

WHAT DOES THIS MEAN?

This is not a situation requiring that you take immediate action. If it had been, you would have been notified immediately. We do not know of any cases of contamination. However, until improvements are made there is an increased chance that disease-causing organisms could contaminate the water supply.

Inadequately treated water may contain disease-causing organisms. These organisms include bacteria, viruses, and parasites, which can cause symptoms such as nausea, cramps, diarrhea, and associated headaches. These symptoms, however, are not caused only by organisms in drinking water. If you experience any of these symptoms and they persist, you may want to seek medical advice.

WHAT IS BEING DONE?

In order to correct the violation, the Company installed an approved water treatment plant to treat the source of the Kaluakoi water system. The project became operational on September 14, 2005. We expect formal acknowledgement of our satisfactory correction of this violation shortly.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools and businesses). You can do this by posting this notice in a public place or, distributing copies by hand or mail.

This notice was prepared for publication by Molokai Public Utilities / Water System ID#231 / September 30, 2005

For any further questions, call Molokai Public Utilities, Inc. at (808) 660-2883.

**MOLOKAI PUBLIC UTILITIES
P.O. Box 259
Maunaloa, HI 96770
Phone: (808)660-2883**

September 26, 2005

Dear Kaluakoi Resort Water Customer:

Re: Kaluakoi Resort Water System Upgrade

Since the mid-1970s, water for the Kaluakoi system originated from Well 17 in Kualapuu, was transmitted to the West End in the State's Molokai Irrigation System (MIS), and was treated and then chlorinated at facilities next to the Resort's storage tank at Puu Okoli. The treatment was necessary because of the commingling of well water with the surface water in the MIS. The two sand filters that have been in use for the last 30 years, although capable of meeting water quality standards when they were originally installed, are no longer capable of meeting the far more restrictive, present day standards.

Molokai Public Utilities, Inc. has just completed system upgrades of treatment to meet present day standards. These upgrades consist of three advanced technology filter units at the Ranch's existing treatment plant at Puu Nana and related improvements to convey the treated water to Kaluakoi Resort. The old filter units at Puu Okoli have been removed from service. In addition to announcing the completion of this upgrade, there are two aspects of this conversion that customers of the system should be made aware of.

First, the existing pipelines in the Resort have been in service for the past 22-30 years conveying the treated water from the old filters. As with any pipeline that has been in service for a number of years, the inside walls are lined with precipitated deposits which have gradually built up. These pipelines will now convey water that has a greater level of treatment. This may cause some of the precipitated deposits to spall off, resulting in temporarily cloudy water. There are no health or safety issues associated with this occurrence. However, if such cloudiness occurs and does not clear in a few minutes of flushing or if it occurs repeatedly, please let us know.

The second aspect is related to past and present chlorination rates. With the old filters, chlorine application had to be at a relatively high rate to meet chlorine residual requirements. Chlorine can combine with organics in the water to produce undesirable by-products. Testing for these by-products is done quarterly and they are regulated on a moving average of the last four

quarters. With the previous treatment system, the levels of these by-products were above regulatory limits. The far better quality water produced by the new treatment system will enable chlorine dosage rates to be reduced and this will dramatically reduce the presence of by-products. However, it may take three to four quarters for the moving average to fall below regulatory limits. In the interim period until this occurs, you will be provided periodic notices of this violation.

If you have questions about your water system please feel free to contact us. You can contact Yolanda Reyes, our Office Manager at 660-2883 or yreyes@molokairanch.com, Rex Kamakana, Manager at 336-0240, (which is also our after hours emergency number) or rkamakana@molokairanch.com, or myself at 808-534-9509 or harold@molokairanch.com.

Sincerely,

MOLOKAI PUBLIC UTILITIES

A handwritten signature in black ink, appearing to read 'H. Edwards', with a long horizontal flourish extending to the right.

Harold Edwards

Senior Vice President

**IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER
MAUNALOA-KALUAKOI WATER SYSTEM HAS LEVELS OF TOTAL
TRICHALOMETHANES ABOVE DRINKING WATER STANDARDS
October to December 2005**

Waiola-MPU water system recently violated the drinking water standard for total Trihalomethanes (THMs). Although this is not an emergency, as our customers, you have a right to know what happened, what you should do, and what we are doing to correct this situation.

Waiola O Molokai-MPU, routinely monitors for the presence of drinking water contaminants. Testing results we received on November 10, 2005 show that our system exceeded the total THM standard, or maximum contaminant level (MCL) of 80 micrograms per liter or parts per billion (ppb). The average level of total THMs over the last 4 quarters was 81.0 ug/l. The MCL became effective for the Maunaloa water system (a system serving less than 10,000 persons) on January 1, 2004.

What should I do?

- You do not need to use an alternative (e.g. bottled) water supply. However, if you have specific health concerns, consult your doctor.

What does this mean?

This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing trihalomethanes in excess of the MCL, over many years, may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What happened? What is being done?

Your water is subjected to a disinfecting process to ensure the safety of the water. THMs are a by-product of this process. The recently completed upgrades to the filtration system and other upgrades will facilitate our ability to address this issue over the next few months. As operations are refined, full regulatory compliance will be achieved. As this standard is measured using a running average over four quarters, full compliance will require approximately one year or longer.

For more information, please contact Rex Kamakana at (808) 336-0240 or write us at P.O. Box 259, Maunaloa, HI 96770.

Please share this information with all the other people who drink this water especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses.) You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by Waiola O Moloka'I, the Maunaloa water system.

State water system ID: 231

Date Distributed: November 25, 2005

Kaluakoi
Kaluakoi, Molokai, Hawaii
2007 Annual Water-Quality Report

The Safe Drinking water Act (SDWA) requires that utilities issue an annual "Consumer Confidence Report" to its customers in addition to other notices that may be required by law. This report gives you information where the water comes from, what it contains, and any risks our water testing and treatment are designed to prevent. Molokai Public Utilities (MPU) is committed to providing you with the safest and most reliable water supply. For more information call MPU at (808)552-2394.

The bottom line: Is the water safe to drink? The answer is Yes.

Call us for information about the water system and services provided. We are here to serve you. You may e-mail our Utility Manager at rkamakana@molokairanch.com.

Overview

Our mission is to provide safe and sufficient water for our customers needs. The water quality report is a reflection of the hard work provided by MPU. We have upgraded our treatment facility to comply with State and Federal EPA standards.

Water Source

As of September 2005 the water provided to you is supplied by a blended source. One source is from Well #17, through the Molokai Irrigation System surface water system. The second source is from the Molokai Ranch surface water mountain system. Both sources are blended at Puu Nana then treated at the new 1.5 mgd water treatment plant. After treatment at Puu Nana, the water flows by gravity to the Maunaloa 3 mg reservoir then continues by gravity to the Kaluakoi water system.

As of September 2005, MPU has met all standards of the Surface Water Treatment Rule (SWTR) treatment technique requirements. Improvements of the system and treatment has been finalized and approved by the State Department Health on September 14, 2005.

For the year 2007, the Kaluakoi Water System is in compliance with Trihalomethane (THM), and Haoacetic Acids (HAA5) Maximum Contaminant Level (MCL). Following this upgrade, we are now operating within the compliance levels.

A Source Water Assesssent Plan (SWAP) has been completed. If you want to view any of the documents please feel free to call Waiola O Molokai Inc. at 552-2394.

An Explanation of the Water-Quality Data Table

The table shows the results of our water-quality analyses. Every regulated contaminant that we detected in the water, even in minute traces, is listed here. The table contains the name of each substance, the highest level allowed by regulation (MCL), the ideal goals for public health, the amount detected, the usual sources of such contamination, footnotes explaining our findings, and a key to units of measurement. Definitions of MCL and MCLG are important. Detected unregulated contaminants for which monitoring is required will also be listed in this report.

Definitions

Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Maximum Contaminant Level or MCL: The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal or MCLG: The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Key To Table

AL	Action Level
MCL	Maximum Contaminant Level
MCLG	Maximum Contaminant Level Goal
NTU	Nephelometric Turbidity Units
mrem/year	millirems per year (a measure of radiation absorbed by the body)
pCi/l	picrouries per liter (a measure of radioactivity)
ppm	parts per million, or milligrams per liter (mg/l)
ppb	parts per billion, or micrograms per liter (µg/l)

Water Quality Data Table

Contaminant Level	Date Tested	Unit	MCL	MCL G	Detected	Range Average	Major Sources	Violation
Volatile Organic Contaminants								
Total Trihalomethanes (TTHMs)	11/27/07	ppb	80 ppb	80 ppb	80.9	67.4 ppb	Byproduct of drinking water chlorination	No **

For Maunaloa-Kaluakoi, TTHMs, 2007, Avg. = 67.4 ppb, Range = 55.3 to 80.9 ppb, MCL = 80 ppb.
HAA5s, 2007, MCL 60 ppb, Avg. 16.3 ppb, Range = 2.8 to 28.0 ppb, NO violation, disinfection by-product rule.

2006 copper results, ppm, AL (Action Level) = 1.3, Detected Level = 0.06, corrosion of household plumbing system.

Water-Quality Table Footnotes

Detected Level Description: The surface water treatment plant product water has met all DOH and EPA regulations, but additional monitoring and control of TTHMs is required.

Unregulated contaminants are monitored by the DOH to track potential contamination of our resources. These do not have an MCL established by the EPA.

Explanation of Violations: None.

Required Additional Health Information

To ensure that tap water is safe to drink, EPA prescribes limits on the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline (800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

- (A) Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.*
- (B) Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban storm runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.*
- (C) Pesticides and herbicides, which may come from a variety of sources such as agriculture, storm water runoff, and residential uses.*
- (D) Organic chemical contaminants, including synthetic and volatile organics, which are by-products of industrial processes and petroleum production, and can, also, come from gas stations, urban storm water runoff and septic systems.*
- (E) Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.*

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water, which must provide the same protection for public health. Some people may be more vulnerable to contaminants in drinking water than is the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

Lead- specific health information.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Molokai Public Utilities is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>."

National Primary Drinking Water Regulation Compliance

This report was prepared by Molokai Public Utilities, 1-808-552-2394. We'll be happy to answer any questions about service and our water quality. For more information, call Molokai Public Utilities at 808-552-2394. Water Quality Data for community water systems throughout the United States is available at www.waterdata.com.

LINDA LINGLE
GOVERNOR



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September 4, 2007

Alan T. Murakami, Esq.
Native Hawaiian Legal Corporation
1164 Bishop Street, Suite 1205
Honolulu, Hawaii 96813

Dear Mr. Murakami:

Re: Proposed Use of Molokai Irrigation System

As we briefly discussed over the phone, your letter dated July 9, 2007 has been forwarded to this office for review. Thank you for granting us this extension of time within which to reply.

We have reviewed the authorities cited in your letter. We have also reviewed the decision in Sierra Club v. Dept. of Transportation, State of Hawaii, et al., filed on Friday, August 31, 2007. While we may not agree with all of your legal analyses in reaching your conclusion, we agree that Chapter 343, Hawaii Revised Statutes, is triggered in the matter of the Molokai Irrigation System pipeline agreement. The Hawaii Department of Agriculture has already been apprised of our opinion on this matter.

Accordingly, we will be advising the Department of Agriculture on the procedures to be followed, and of all notices which must be given, throughout the process. We look forward to your and your clients' participation and input in this process. In the meantime, we will be assisting the HDOA in getting Molokai Properties off the system as quickly as possible, until all environmental effects, if any, are sufficiently and properly addressed.

If there are any further legal matters to discuss concerning the State's administration and operation of the Molokai Irrigation System, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Myra M. Kaichi".

Myra M. Kaichi
Deputy Attorney General

cc: Sandra Lee Kunimoto

EXHIBIT "B"

CERTIFICATE OF SERVICE

The foregoing Affidavit of Timothy Brunnert in Support of Motion to Intervene was filed with the Public Utilities Commission and served on this date by mail, postage prepaid, and properly addressed to the following parties:

PUBLIC UTILITIES COMMISSION
465 S. King St, Room 103
Honolulu, HI 96813

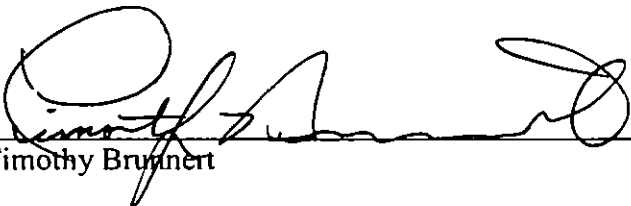
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Executive Director
Department of Commerce and Consumer Affairs
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DATED: October 29, 2009, Maunaloa, Hawai'i



Timothy Brunnert